

2007 Farm Bill Forum

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We had the best crop in 31 years of farming
but went backward for the first time.

Operating cost unsustainable with
what we receive. I do not see how any
of us will stay in business, or get
future generation to farm.

Raise loan rate for safety margin,
emergency assistance for fuel & fertilizer cost
right away until loan rate raised
for safety net.

If we cannot stay in business
we will depend on China & other countries
for our food

WHEAT LIFE®

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***Can we count
on your support
for a stronger
America?***

**BY JEFF EMTMAN
WAWG PRESIDENT**

Despite above average yielding wheat crops in much of Washington state, there is a huge uneasiness concerning the future of wheat farming. Our futures as wheat producers may be very short if our margins continue to decline at the current ever increasing

rate. Over the years we have cut our costs wherever we could to help us survive. Now, our lean operations have exhausted most of the cost saving options and we are left with nowhere to turn to maintain our current operations.

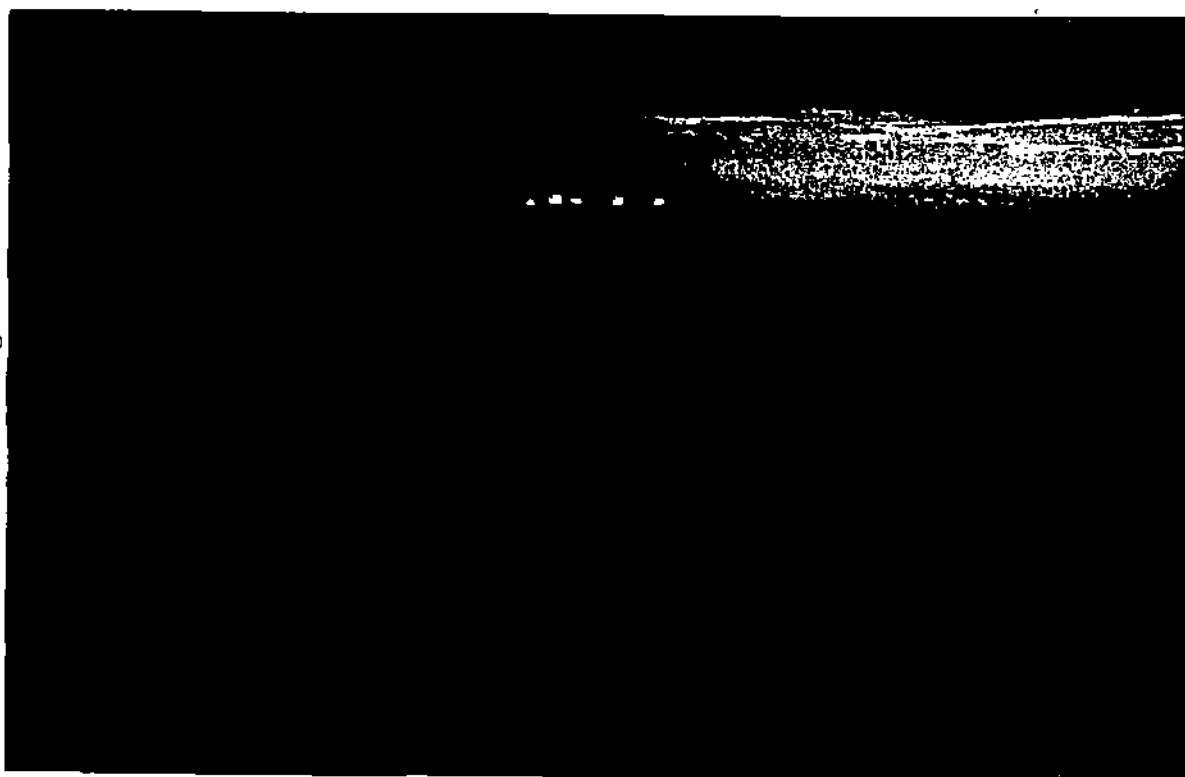
This is a very serious situation and it is real! Farmers are being denied operating lines of credits from banks this fall because

of the low wheat price and the high cost of fuel and fertilizer. Others, who are close to retirement age, are throwing in the towel a year or two early in order to have something left to retire on. How do we become more optimistic about next year when there has been an overall downward trend in profit margins, if a profit at all?

I have touched on the importance of agriculture to the overall well being of this great nation in many of my previous

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Harvest photo by Harlen J. Persinger



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100-bushel surprise of 2005: 14
Hard white wheat — the wave of
the future: 46
Schillinger dryland research: 56

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PRESIDENT'S MESSAGE

ould hate to see U.S. citizens spend most of their disposable income on food. Could you imagine rationing food and waiting in line for hours to get each day's food to prepare one's meal? This could be very possible if our nation turns it back on the American farmer.'

CONTINUED FROM FRONT COVER

ges. I addressed the fact that farms ranches employ 20 percent of our nation's work force directly and many indirectly. Agriculture provides markets to export to help lessen our trade deficit. U.S. agriculture provides us with increased national security and the safest food source in the world. If we lose our farms and our food, the United States will no longer be the world's leader and that is a very scary thought. Perhaps, then, we will have to rely on communist China to keep the world in the world.

How would you like to rely on other nations for food? We rely on other nations for petroleum and steel and we are paying dearly for that. Prices seem to be increasing and these volatile prices are adding the way for price gouging on food products.

I could hate to see U.S. citizens spend most of their disposable income on food

Could you imagine rationing food and waiting in line for hours to get each day's food to prepare one's meal? This could be very possible if our nation turns it back on the American farmer. With the world's population doubling every 40 years, who will feed those mouths without the help of the American farmer? Maybe, most importantly, who will feed America?

Farmers need help and we need it now! This is a call to all government agencies at every level whether it is federal, state, or county. You affect us directly and indirectly with your actions and I challenge you to help make the American farmer stronger. Cut through the red tape and look in the mirror. What can you do to help farmers and thus help your nation? Please work with us and remember the circumstances as to why your agency was created in the first place. Many agencies have lost touch with their purpose as well as their common sense.



Jeff Emlman
WAWG President

Federally, the United States Department of Agriculture must revisit its loan rates on commodities and make them more relevant to today's costs of doing business. How can they drop wheat loan rates in recent years, when our costs have only been dramatically increasing and production has remained level? The Pacific Northwest, a region which predominantly raises soft white wheat, is still puzzled how they can drop the loan price for this class of wheat by 17 cents per bushel, this year, while all other classes remained virtually unchanged.

Congress must make the 2007 Farm Bill strong and must not sell out American farmers just to be WTO compliant. Bottom line, we need your assistance now more than ever and we cannot survive any more cuts. Most of the general public does not realize that the government, not the farmer, sets the price of wheat and has since 1917!

At the state and federal level, please continue the appropriations for the dredging and maintenance operations on our river systems so that we can be as competitive as possible at shipping our crop to market. River barging is still the most reliable and efficient way to ship our crop to ports near Portland.

I could go on and on with items that need addressing at every level of government that would help the Washington state wheat producer. That is precisely the job that we do as the Washington Association of Wheat Growers. Producers, please join me and the other members of the association at all committee days on October 18 in Ritzville to help direct our focus for the coming year. An accumulation of reforms, both big and small, are needed for us to thrive as wheat producers.

If the American farmer becomes stronger, rural America and the rest of the United States will become stronger. Can we count on your support for a stronger America?

* * *

ESA. Walden said the changes are "so we never see a situation like we had in Klamath Falls again."

Changes proposed in the "Threatened and Endangered Species Recovery Act of 2005" include:

- Requiring the use of the "best available" science, defined as the "most accurate, reliable and relevant for use in that decision or action," in the bill;

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BY SCOTT A. YATES

Washington State Staff Writer

SPOKANE—There's a telling math problem making the rounds of Walla Walla farm country this year: 2-2-2-7, as in \$2-per-bushel wheat plus \$3-a-gallon diesel equals Chapter 7 bankruptcy.

Morale is down, down on the farm. Jumps in the price of fuel and fertilizer have many left farmers reeling. Whether they bounce back or succumb to the latest blow to their bottom lines is not a given. Some are already raising the specter of another exodus from agriculture the likes of which hasn't been seen for years.

"This is a real squeeze because they have

these increased costs they can hardly avoid," said Tim McGreevy, executive director of the USA Dry Pea and Lentil Council. "There are some long faces out there."

But it is not just the bottom line that has farmers feeling like they're on the ropes. Mike Duffy, extension agricultural economist at Iowa State University, said it is the volatility of gasoline and diesel prices, more than the price itself, that catches people's attention.

ANALYSIS: Economic pressures taking toll on many operations

During other run-ups in the cost of fuel farmers also painted a bleak picture — and survived. They thought things couldn't get worse when diesel passed \$1.25 a gallon. Now, prices are topping out near \$3 a gallon.

Dick Wittman, a direct-seed farmer near Lewiston, takes special care to use as little fuel on his farm as possible. He estimates that a well-run one-pass operation could function at \$10 an acre in fuel cost.

BY GARY L. WEST
Associate Editor

PENDLETON, Ore. — It wasn't the hall of power in which Sen. Gordon Smith, R-Ore., normally spends his time.

Smith, a Pendleton native, spent part of his day Friday amid some of the biggest movers and shakers in his

industry than he did for his hometown's signature event.

"The worldwide demand for what we produce continues to grow, and no one can produce as well as the American farmer," he said.

Smith, 53, is serving his second term in the Senate, where he is on the Finance, Indian Affairs, Rules, Energy and Natural Resources and Com-

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WAT



Crews cut hop vines at Roy Farms in Moxee, Wash. Hop acreage is up slightly in Washington this year. Story on Page 22.

PEGGY STEWARD/Capital Press

Wolf at the door has farmers howling

Increasing that by 70 percent is like taking another \$7 dollars out of the margin "and most farms are damn lucky to show a \$10 to \$15 (per acre) net margin."

Unlike other businesses, wheat farmers cannot pass the increased cost of production on to consumers since commodity prices are based on worldwide supply-and-demand economics. Lately, the price of wheat has been trending downward in a world satisfied with its current supplies.

The reverse is true of the world oil market, where war, increased demand and declining proven reserves were fueling price increases even before Hurricane Katrina

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Senator keeps his hat on in this ri



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ECONOMY: Pressures taking toll

From Page 1

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hit and hobbled Louisiana's oil infrastructure.

• Farmers are looking anywhere to cut their input costs, and Jim Fitzgerald, executive director of the Washington State Farm Service Agency, said he's hearing from more farmers asking whether now is the time to leave agriculture and find a paying job. He said those who seem to be weathering the storm of rising prices best either have off-farm income or zero long-term debt.

"But if you are strictly on rented land or making mortgage payments — those are the ones who will fall prey to the wolf," he said.

Ron Jirava, past president of the Washington Association of Wheat Growers, said he doesn't know how farmers balance the bottom line. He, for one, has taken a job driving tractor for a neighbor to make ends meet on his own operation.

"The sad thing is that this is a 3,000-acre farm. It used to be a good-size farm, supporting many

people. Now it barely supports one," he said.

Nat Webb, a farmer northwest of Walla Walla, agreed. "The frustrating part this year is that we had a pretty good crop. But the costs are such you can't survive on a good crop anymore," he said. "It is beyond our cost of production."

Webb, who is 61, said the subsidies farmers receive today are nothing like the payments of yesteryear.

"I don't like subsidies, but that is what has sustained wheat agriculture in Washington for a number of years. It's at the point now subsidies aren't going to sustain us. If they want wheat farmers to survive, something is going to have to change. People are going to have to pay a higher price or a higher subsidy," he said.

Although there have been other episodes of farmers pleading economic hardship, Webb said, it's different this time.

"The wolf has come this time, but I don't think anybody realizes it," he said, arguing for an effort to communicate agriculture's dire

straits to the rest of the country.

Perry Dozier, who farms near Touchet, Wash., said the situation deteriorated rapidly. Just before harvest, a farmer friend was talking to him about upgrading his equipment. Afterwards, the same friend asked if he wanted to lease his ground.

"It is about how much do you want to keep accumulating debt? Yeah, you can get financing, but how far do you want to sink?" Dozier said, confirming he turned down the 4,000-acre lease.

As for leased land he still farms, Dozier is evaluating the contracts closely. They have to be structured to allow both the landlord and the farmer to survive, he said.

Although some farmers around him have talked of waiting to do their fall work until fertilizer and fuel prices come down, Dozier said, Mother Nature, not the price of inputs, dictates his schedule. "You have to do the right things at the right time. You've got to suck it up."

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